



Marketing as a response to paradox and norms in the 1960s and 1970s

Marketing as a
response to
paradox

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Abstract

Purpose – This study seeks to investigate the interaction between marketers' strategic behaviors, social norms, and societal stakeholders within a particular historical time period, the 1960s and 1970s.

Design/methodology/approach – The study's findings are based on an analysis of two dominant retail industry trade publications, *Chain Store Age* and *Progressive Grocer*.

Findings – The analysis reveals an intriguing array of strategic marketing activity throughout these two decades not captured in considerations of marketing strategy at the time. The retailers examined engaged in two interesting behaviors. First, they responded to a wide range of stakeholder demands in a paradoxical fashion. Second, as retailers were confronted with social norms, instead of conforming to these norms they worked to help influence and shape them to their own advantage. This examination of retailers' behaviors over two decades has allowed the authors to present an intriguing new dimension to the understanding of marketing strategy.

Originality/value – The study found that throughout the 1960s and 1970s, marketers appeared to be actively engaged in a social dialogue. Through this dialogue, they not only responded to norms, but also attempted to shape the norms that came to define legitimate behavior for the marketers. This kind of strategic marketing endeavor was not accounted for in the managerial school of thought that dominated marketing thinking at the time.

Keywords Institutional theory, Legitimacy, Marketing strategy history, Retailing history, Stakeholders, Marketing history, Marketing strategy

Paper type Research paper

The environment in which marketers develop and implement their strategies is very complex and dynamic. In the vast body of literature dealing with marketing strategy, however, little attention is paid to this full context. Economic actors have been given priority while broader societal issues have been given secondary status. Keep *et al.* (1998) suggested there is a need for marketers to consider the context in which marketing strategy takes place. Similarly, we believe that a better understanding of the full set of stakeholders and norms that influence marketing strategy is needed. The purpose of this paper, therefore, is to investigate the relationship among marketers and



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their strategies, stakeholders, and social norms in one period of history teeming with stakeholder activism – the 1960s to the 1970s. In doing so, we explore strategic marketing endeavors that were not accounted for in the managerial school of thought that dominated marketing thinking at the time. In addition, we contribute to the stream of research that even today is re-examining our understanding of marketing strategy within a broader social context. The following example illustrates this dynamic and varied process that is a key theme throughout our findings.

The April 1969 issue of *Progressive Grocer*, a retail trade magazine, includes the “36th Annual Report of the Grocery Industry” (*Progressive Grocer*, 1969, pp. 96-110). In this report, the authors described boycotts of food stores by women in protest of rising food prices. The authors posited that while women might have boycotted food retailers, these food retailers were nothing more than scapegoats. Instead, “the high prices were the result of a long list of economic factors over which the retail grocerymen have very little control” (p. 97). Some retailers responded to these boycotts by announcing drastic price reductions; “by allowing themselves to be panicked into large-scale price cutting, the chains tacitly agreed that the boycotters were right in denouncing them as the cause of high prices” (p. 97). Others – described in the report as “hardier super market men” (p. 97) – responded with consumer education and dialogue. These “hardier” retailers sought to educate consumers that “pricing is not the job of the super market. The super market’s job is to offer the widest variety of products at the lowest possible prices so the consumer can select what she wants to buy at the price she is willing to pay” (p. 100). They not only educated, but they also engaged in dialogue with the women. For example, the president of the 23-store King Soopers chain, Lloyd King,

[...] became the first retailer in the Denver area to personally invite boycotting housewives to his office. When the women came to call, he met them on equal terms [...] Instead of excuses, King presented the reasons for the higher prices in a language which the crusaders could understand (*Progressive Grocer*, 1969, p. 102).

This example highlights key findings from our research. Our analysis of historical grocery retail trade magazine articles uncovered two themes:

- (1) that marketers responded in a paradoxical fashion to stakeholders; and
- (2) that marketers both shaped and were shaped by social norms.

We found that the grocery retailers – the marketers – we studied were actively engaged with social forces outside of their organizations’ boundaries, and that this engagement was often paradoxical. As seen in the example, one group of retailers perceived the “customer as smart and well-informed” and responded to boycotting pressure accordingly, while the other group viewed the “customer as foolish and uninformed”, requiring education “in a language which the crusaders could understand” (p. 102). The example also underscores the way in which grocery retailers sought to shape the social norms that would determine their credibility and legitimacy in the marketplace. The “hardier” retailers, rather than conforming to existing social expectations around affordable food, instead sought to justify norms of competition to the boycotting women through education programs. Specifically, people like retailer-magnate Lloyd King would “warn the women that prices would possibly continue to increase if he was to continue making a profit from his business” (p. 102). At the end of the day, if women wanted variety and service in their food shopping, then

these businesses needed to make a profit to survive. The goal of these retailers was changing social expectations so that, even with rising food prices, they might still be perceived as legitimate societal members.

This paper seeks to examine the dynamic interaction between retailers (marketers), societal norms, and a range of societal stakeholders that made up the retail industry's organizational field in the 1960s and 1970s. The lens used to examine the empirical data is institutional theory – a conceptual framework drawn from the organizational theory discipline that focuses attention on social processes beyond the boundaries of the firm (Hoffman, 1999). By drawing on institutional theory, our paper attempts to build a conceptual understanding of how societal (or institutional) forces interacted with marketing strategy and thus influenced marketers' actions. The potential contribution is in complementing managerial perspectives on marketing strategy and shedding some light on the way forces outside the organizational boundary – stakeholders and social forces – and marketers co-existed. In doing so, we report on nascent marketing strategies during a period of important social change.

Considering the societal forces on marketing strategy

The focus of much of mainstream thinking about marketing strategy – both throughout the 1960s and 1970s as well as today – is centered on the managerial perspective and its emphasis on the end customer. The managerial perspective emerged at an important time in the history of marketing thought. During the first half of the twentieth century, marketing thought was focused primarily on internal production and distribution efficiencies. The end customer was regarded as an afterthought at best (Sheth *et al.*, 1988). Levitt (1960) warned that this myopic perspective is detrimental to organizations as it directs their attention away from the task of seeking out and capitalizing on growth opportunities. These growth opportunities were to be found in identifying and acting upon the needs of the customer (Levitt, 1960). During the 1960s and 1970s, managerial initiatives such as product differentiation and market segmentation (Smith, 1956), managing the product life cycle (Levitt, 1965) and of course, the marketing mix of the 4 P's (McCarthy, 1960) emerged as examples of marketers seeking to understand, manage, and control the process of satisfying customer needs. Therefore, within this managerial perspective, the customer was to be placed at the center of the marketing function (Keith, 1960).

The managerial perspective continues to evolve and dominate our understanding of marketing strategy even today. Specifically, the firm is expected to achieve financial success by winning a competitive advantage as it mobilizes unique resources and implements a value-creating strategy for customers better than competitors (Day and Wensley, 1988; Varadarajan and Jayachandran, 1999). Individual marketing managers, therefore, focus on efficient resource exchanges with economic transacting stakeholders such as employees, suppliers, and customers. This perspective is reflected by Hunt and Morgan (1996) in their resource-advantage theory of competition. It is also reflected in the theory of marketing orientation (Kohli and Jaworski, 1990; Narver and Slater, 1990), where the central imperative is to engage in bargaining and coalition formation with the organization's other functional areas to ensure a superior customer and competitor orientation. In addition, this perspective emerges in the theory on relationship marketing, where relational partners acquire and deploy unique bundles of resources that will win competitive advantage for those engaged in the

relationship (Barney and Hesterly, 1996; Hunt and Morgan, 1995). As we noted earlier, this perspective is solely focused on the end customer and does not necessarily account for the full range of stakeholders and norms that may impact on the way in which marketers do, in fact, behave.

Despite the dominance of the managerial perspective, there are marketing researchers that have accounted for the importance of stakeholders and societal norms on marketing strategy success beyond the customer. The past decade has witnessed an upsurge of interest by marketing academics and practitioners in the social impact of marketing actions. Trends such as green marketing, cause-related marketing, marketing ethics, and boycotting have gained increased attention. For example, researchers have acknowledged that a growing number of consumer activists and boycotters (Klein *et al.*, 2004) accuse marketers of promoting a culture based on over-consumption, resulting in harmful social and environmental impacts (Holt, 2002). Anti-globalization protests and public calls for greater corporate governance suggest there is a need for theories of marketing strategy and management that incorporate societal stakeholders (Maignan and Ferrell, 2004).

There is evidence, however, that consumer activism really began to take shape in the 1960s and 1970s. In 1957, Vance Packard's *The Hidden Persuaders* caused a furor about the uses of psychological techniques by advertisers to manipulate expectations and create a culture of consumption (Packard, 1957). The 1960s ushered in an era of consumer protest against unsafe products as well as deceptive advertising and pricing. Marketing researchers began to question the social responsibilities of marketing (Kelley, 1969; Lazer, 1969). It is meaningful, therefore, to explore marketers' strategies throughout these two decades – at a time when interactions between marketers and stakeholders were gaining momentum, yet the theories and the frameworks taught in business schools were dominated by a managerial perspective (e.g. McCarthy, 1960) that did not account for these kinds of interactions. As a result, marketers likely did not have the tools or mental models to respond to this increased consumer activism. Our investigation uncovers the strategic marketing actions that emerged (rather than those that might have been prescribed) in response to stakeholders and societal norms. This allows us to report on nascent marketing strategies during a period of important social change.

Our theoretical lens – institutional theory

In order to draw conclusions from our data, we needed to apply a theory that would allow us to make sense of it given our research purpose, which is to explore the dynamics between marketers (grocery retailers), stakeholders, and societal norms in the 1960s and 1970s. Institutional theory, drawn from the organizational theory domain, was chosen as a theoretical lens because it emphasizes the social context-dependent nature of organizations (Whetten and Mackey, 2002). In contrast to competitive advantage-based theories, which focus on achieving superior financial performance, institutional theory focuses on the organization's goal of achieving "social fitness". Social fitness "stresses the pursuit of legitimacy in the eyes of important societal stakeholders" (Grewal and Dharwadkar, 2002, p. 82). Legitimacy reflects whether an organization accepts and adheres to societal norms (Grewal and Dharwadkar, 2002; Suchman, 1995). Simply put, an institutional perspective considers the things that an organization does to be accepted by societal stakeholders, whereas a managerial perspective considers the things that an organization does to generate a profit.

If we were to apply the managerial perspective to our data analysis, we would be constrained by viewing the firm's primary objective as superior economic performance. Other objectives, such as tending to broader societal issues, would achieve only "secondary" status (Hunt and Morgan, 1995, p. 6). Similarly, following a managerial perspective, we would be focused on the firm's economic transacting stakeholders such as creditors, shareholders, and customers who affect the firm's cost and revenue structure (Clarkson, 1995). Other stakeholders, such as those that express concern about the organization's societal impact, would be regarded as secondary (Handelman, 2006). Therefore, to ensure that our analysis extends to the broadest range of objectives and stakeholders possible, it is important to consider an institutional perspective.

Institutional theory recognizes that the firm interacts with stakeholders in a diverse and often fragmented societal context. As such, the organization comes to be regarded as an organic, indivisible, and embedded part of a complex, fragmented, and contradictory social system – also referred to as an organizational field. An organizational field is "a community of organizations that partakes of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside the field" (Hoffman, 1999, p. 352). Put simply, the organizational field is a group of stakeholders who have come together because of a common interest. The organizational field presents the organization with shifting and conflicting expectations (Handelman and Arnold, 1999). As a result, this pursuit of legitimacy is a complicated and challenging task. Yet, the pursuit of legitimacy – rather than the pursuit of profit alone – is an integral part of a firm's marketing strategy.

Finally, institutional theory recognizes a two-way interaction between marketing strategy and societal forces. This theory acknowledges, in addition to the traditional assumption that stakeholders have an impact on companies, companies and marketers also can work to shape and influence stakeholders and organizational fields. This two-way relationship between companies and the organizational field was highlighted in the illustrative example at the outset of this article.

Method

Our study focuses on the organizational field surrounding US-based retailers. Our analysis was based on articles from two major retailing trade magazines: *Chain Store Age* (CSA) and *Progressive Grocer* (PG), from 1960 to 1979. (In some years, CSA published several editions – GME refers to *Variety Store-General Merchandise Executives Edition*; DR refers to *Drug Edition*; SME refers to *Super Markets Edition*; and SCA refers to *Shopping Center Age*.) *Chain Store Age* and *Progressive Grocer* were selected based on their prominence and readership within the retailing industry. Trade journals act as an historical record of key issues and events as perceived by actors in the industry (Hoffman, 1999). They socialize readers and influence issue recognition and interpretation. They also reflect changes in behaviors and attitudes when studied over time. Writers and publishers of these journals are players in the organizational field, but these same people are subject to political pressures from within. Of course, trade journals present a biased interpretation of issues, slanted to reflect the interests of the journal's core readers.

To supplement these sources, American history and business history books were examined to better understand the societal context. It was enlightening to see which

events were deemed relevant by the trade publications and which ones were ignored. For example, while the 1960s was a decade of fear (the Cuban Missile Crisis), student unrest (Berkley Free Speech Movement), and war (Vietnam), these social issues generated almost no discussion in the trade journals. Other events such as those related to the civil rights movement and the race riots, in which many retail establishments were damaged or destroyed, received prominent and repeated coverage.

The data set included all articles related to the organization's social environment (a total of 1,285 articles from 480 issues). Such articles dealt with proposed or new regulations, industry association reactions to these regulations, programs aimed at consumers, and social issues affecting retail trade such as race relations, boycotts, or the growing consumer movement. Some articles represented a blend of core retailing business and social responses, and these articles were examined as well. For example, nutrition labeling touches very much on the technical aspects of food retailing, but it also has a social element as retailers lobbied to influence consumers' concerns and pending regulations.

The analysis and interpretation followed a thematic analysis approach (Braun and Clarke, 2006), which is "a method for identifying, analyzing, and reporting patterns (themes) within data" (p. 79). According to Braun and Clarke, thematic analysis is compatible with both realist and essentialist research methods – it can be a "method that works both to reflect reality and to unpick or unravel the surface of 'reality'" (p. 81). The goal in this study was to uncover the latent meanings that lie beyond the literal content of the articles, for example, underlying ideas, assumptions, and ideologies. This is why we do not use literal descriptions and content analysis. With thematic analysis, it is the depth and understanding of the themes, rather than the quantity of particular content, that is most important.

Historical research in the marketing discipline has been primarily positivist in its philosophical approach, evidenced by studies that generate conclusions from content analyses and other more objective methods (e.g. Golder, 2000; Jones and Richardson, 2007). Even still, a more inductive approach like thematic analysis is appropriate for historical research when looking beyond the marketing discipline. As stated by E.H. Carr (1961), "The belief in a hard core of historical facts existing objectively and independently of the historian is a preposterous fallacy [...]" (p. 10). To be sure, historical researchers in other fields have adopted postmodernist approaches (Kent, 1999), textual analyses (Greenfield *et al.*, 1999), and interpretive approaches (Bengry, 2009). Even within the field of marketing, researchers have argued for more interpretative approaches as part of the historical method (Smith and Lux, 1993).

All articles were analyzed with an eye to the key issues (what is addressed as well as what is ignored), key actors, trigger events, rhetoric, language, and dialogue. In analyzing the data the researchers asked, how did marketers interact with proactive, powerful, aggressive, and often unfriendly societal stakeholders? What tactics did marketers engage in that are not captured in the managerial approach to marketing strategy? The researchers then worked to interpret the prevalent issues, beliefs, norms, and decision rules.

The data analysis involved an iterative approach. First, all three researchers read and independently interpreted the data to derive key themes. As Braun and Clarke (2006) explain, a theme is a patterned meaning within a data set; whether a theme is "key" does not necessarily depend on its frequency in absolute terms, but rather

depends on its connection to the overall research questions. After reading and interpreting the data, the researchers met to discuss and debate the themes and trends. The data was revisited until consensus was reached and interpretations were refined.

Themes identified

Our analysis allowed us to identify two key themes, in other words, two key strategic behaviors that we observed among our sample of marketers. We have labeled these two themes “Paradoxical Managerial Response” and “Shaping Norms”. Before discussing these themes in detail, we provide a description of the background – the complexity that we observed within the organizational field – as this provides context to the two themes.

Background: complexity within the organizational field

Throughout the 1960s and 1970s, retailers and marketers operated in an enormous and bewilderingly complex organizational field. They were faced with a broad and diverse range of issues that involved many interconnected organizational actors. The issues that dominated this organizational field throughout the 1960s and 1970s were plentiful. Labor concerns included the reduction of the work week to 35 hours, equal pay for women, employment safety, age restrictions for different types of jobs (such as working in meat plants), minimum wage legislation (e.g. 1961 Amendments to the Fair Labor Standards Act, 1963 Equal Pay Act), and industry boycotts such as the union-led grape and lettuce boycotts of 1974. Anti-competitive practices like mergers, acquisitions, and the use of loss leaders were contested. The introduction of Health Maintenance Organizations (HMOs) in the 1970s was debated because of the potential impact on pharmacies and drug store retailers. While some issues were new and characteristic of the 1960s and 1970s, others had been debated since the formal inception of the marketing discipline at the turn of the twentieth century (Bartels, 1988; Shaw and Jones, 2005). For example, one article commented on a commission that investigated the spread in prices between what farmers received for food and what consumers paid for it (*Progressive Grocer*, 1964d, p. 37). The following paragraphs highlight some of the most prominent issues.

Pricing. Unemployment, inflation, and recession fueled concerns about price throughout the 1960s. The enforcement of resale prices and the affordability of products, particularly grocery products, were dominant issues. In response to consumer demands for low prices, the Woolco discount chain and the Family Dollar Discount chain were born in 1960, and Kmart discount stores and Wal-Mart in 1962. In the same year, the Cover Girl cosmetics line was launched, promising reasonable prices, and Continental airlines began offering economy fares between Chicago and Los Angeles. Government and retailers debated the effectiveness of food stamps as tools to combat poverty and boost farm income. Boycotters began protesting high prices. Consumer groups criticized trading stamps (promotional tools collected by consumers which could be redeemed for various types of products) for restricting consumer choice and adding to price inflation.

Federal government agencies were very much involved in pricing issues. In 1962, the Federal Trade Commission (FTC) launched an investigation of private label products to determine if they constituted a form of price discrimination. In addition, the Food and Drug Administration (FDA) forbade the sale of “economy” size packages

that were priced higher per ounce than goods in “regular” sized packages. The FTC ruled resale price maintenance unfair. Also in 1962, President Kennedy declared steel price increases unnecessary, and in 1964, President Johnson launched the national war on poverty. In the same year, the food industry embarked on its “Food is a Bargain” campaign. In 1965, the National Commission on Food Marketing (NCFM) studied food prices comparing retailer and national brands for volume, quality, and price differences. Findings released in the summer of 1966 noted only “superficial price competition between chain and non-chain supermarkets” (*Progressive Grocer*, 1966a, p. 9).

By the end of the 1970s, however, pricing issues no longer held the same importance for consumers, government, or retailers (*Progressive Grocer*, 1978, p. 25). Many advertisements, for example, focused on non-price attributes, such as product quality. For specialty products like organic foods, price was a secondary issue.

Consumer protection and rights. Consumer protection and consumer rights were prominent issues throughout the 1960s and 1970s. Government regulators positioned themselves as the watchdog for consumer rights and protection. In a 1962 speech to Congress, President John F. Kennedy outlined four basic consumer rights, which later became known as the Consumer Bill of Rights – the right to be informed, the right to safety, the right to choose, and the right to be heard. Concern with the first two rights resulted in government action – the Cigarette Labeling Act (1965), the Fair Packaging and Labeling Act (1966), the Wholesome Meat Act (1967), the Truth-in-Lending Act (1968), and the Magnuson-Moss Warranty Act (1975). In 1966, articles began to appear debating the need within government for a Department of Consumer Affairs whose purpose would be to protect consumers in terms of product quality and prices. Numerous bills were proposed to regulate labeling (ingredient listings, nutrition information, and dating of perishable foods) and to provide more accessible price information (e.g. unit price information on packaging and shelves). Concern about consumers’ right to safety led to the establishment of the Consumer Product Safety Commission (CPSC) in 1972 (Lush and Hinton, n.d.).

The environment. In 1963, the first articles relating to environmental issues appeared. Phosphates in detergents were recognized as presenting a major water quality problem. In 1966, the new Motor Vehicles Safety Act was passed to control emissions. In 1970, environmental groups celebrated the first Earth Day. Consumer crusader Ralph Nader fueled environmental concerns throughout the 1970s. Waste management was a growing concern. Retailers had to address the waste associated with packaging and shipping containers (e.g. cardboard, the 1977 bottle bill).

Health and nutrition. James S. Turner’s 1970 book, *The Chemical Feast: The Nader Report on the Food and Drug Administration*, prompted a review of food marketing, food additives, and their approval processes. Throughout the 1970s, many additives were called into question or banned, for example, aspartame, cyclamates, saccharin, MSG, nitrites, and mercury levels in tuna. As a result of heightened public concern, the FDA conducted extensive reviews of the Generally Regarded As Safe (GRAS) list of food additives. Other nutritional issues also made headlines – breakfast cereals came under attack for their lack of nutritional value (1970) and organic foods gained an increasing presence (1971). In 1974, the Senate Commerce Committee approved a bill requiring more informative and reliable labeling to enable a more wholesome and safe food supply.

Race relations. Race relations received headline coverage, especially in the 1960s. In 1964, W.T. Grant was noted as the first major retailer with a “Negro” person on its Board of Directors. (We use the term “Negro” in this section since it is the word used in the trade publications of the day.) The 1965 race riots in the Watts district of Los Angeles, and the 1966 riots in Chicago, Baltimore, San Francisco, Cleveland, Omaha, Brooklyn, and Jacksonville were major trigger events. Since many retail outlets were looted or damaged, the riots focused retailers’ attention on race relations. An editorial in *Progressive Grocer* in 1968 noted that the retail food industry had not yet learned how to be successful in Negro areas, evidenced by continued Negro boycotts, riots, and demands for more jobs and special products. Retailers and other businesses were asked by the Government to provide two million jobs to “hard-core unemployables” (*Chain Store Age*, 1968b, p. 51) as a means of preventing future riots and violence. While it was noted that some Negroes would only accept business as legitimate if it helped them to solve their social problems, others wanted nothing to do with business. By the early 1970s, confrontation was replaced by engagement. Members of the retail industry and the black community interacted more frequently and more positively (*Chain Store Age*, 1970d, GME, p. 116), and retailers took their responsibility to hire Negroes to heart (*Progressive Grocer*, 1971a, p. 98).

Summary. The organizational field that emerged around these issues was also complex and diverse. Take for example the 1961 hearings on “deceptive” labels and packages:

The first witnesses were generally consumer spokesmen whose views struck trade leaders as extravagant, sometimes unfounded and without too much substance. Next to appear will be retailers, food processors and finally government officials. The outcome? Best guess is lots of headlines but very little likelihood of any legislation (*Progressive Grocer*, 1961, p. 12).

Traditional stakeholder theory suggests that the organizational field should include three relatively homogeneous groups – other businesses (i.e. suppliers), government, and consumers. While these groups were undoubtedly an important part of the field, their array was more diverse and complex than expected. The list below compiles the players referred to in the 1960s alone:

- Chains and independent retail stores and their leaders (e.g. Jewels, Lyon’s Foodland, Kroeger, F.W. Woolworth, Grand Union, National Tea, Barbers, Empire Markets, Super Valu).
- Chamber of Commerce.
- Consumer spokespeople and advocates.
- Consumers.
- Educators.
- Federal regulators and departments [United States District Attorney (USDA), Congress, House Commerce Committee, Food and Drug Administration (FDA), Federal Trade Commission (FTC), Department of Labor, Secretary of Labor, Justice Department’s Anti-Trust Division, National Commission on Food Marketing, Department of Agriculture, Pentagon, Federal Stamp Program], the Administration (Kennedy, Johnson).
- Industry and trade associations (e.g. Wholesale Grocers’ Association, National Association of Food Chains, National Federation of Independent Business,

American Meat Institute, Food Industry Educational Advisory Council, Super Market Institute, Grocery Manufacturers of America, Chamber of Commerce of different cities).

- International regulators and regulations (General Agreement on Tariffs and Trade).
- Minorities.
- Non-profit organizations and churches (e.g. Greater Miami Consumers Civil League, The Salvation Army, American Cancer Society, Boy Scouts, American Humane Association's Pet Food Advertising Committee).
- Individual elected officials (e.g. Congressman XX or Senator YY).
- Other operational partners (e.g. the Post Office).
- Public press (e.g. *Life Magazine*).
- Retail employees.
- State regulators and regulations (e.g. Unfair Practices Act charted by the California legislature).
- Suppliers and manufacturers (e.g. the dairy industry, the Borden Company, Scott Paper Company, General Foods).
- The courts (e.g. Supreme Court, Court of Appeals, State Court of Connecticut, Michigan Supreme Court).
- Unions (e.g. United Auto Workers).

The complexity of the organizational field meant that dialogue around important issues occurred on many fronts. Organizations and managers had to respond to pressures from diverse societal stakeholders. The following quote helps to illustrate this challenge: "Can consumer boycotts help bring down food prices? 'No,' says the National Consumers Congress of Washington, D.C. 'Yes,' says the Fight Food Prices Committee in Boston" (*Chain Store Age*, 1974a, SME, p. 17). The dialogue around these social issues was often paradoxical, ambiguous, convoluted, and complex.

Theme 1: paradoxical managerial response

Retailers did not respond to triggering events and societal stakeholders in a dominant, cohesive manner. Instead, their responses included contradictory discourse, showing complex and often opposing views. For example, in a single year, retailers would both cooperate with and oppose government action. They would respect and disparage consumers. An examination of language and metaphors uncovered this discourse. Illustrative quotations provide greater clarity for these findings. Unless otherwise stated, quotations are representative of multiple mentions of the same or similar perspectives.

The data revealed four paradoxes:

- (1) "government as demon" versus "government as ally";
- (2) consumer respect and care versus consumer disparagement;
- (3) dismissal of consumer activism versus fear of consumer activism; and
- (4) the need for community embeddedness versus the profit motive.

These paradoxes emerged as a result of the complexity of the organizational field in which retailers found themselves. As we will discuss, these managerial paradoxes are manifestations of retailers' efforts not only to survive and maintain their legitimacy, but also to influence and shape their organizational field. This managerial behavior was often more paradoxical than existing theory suggests.

"*Government as demon*" versus "*government as ally*". Our data reveals constant tension in the relationship between retailers and government. When industry talked about its interactions with government, it used terms such as "stifling," "prohibiting," and "controlling" (*Progressive Grocer*, 1962c, p. 9). Industry advocates disparaged government bureaus noting their "heavy-molasses handed presence felt in the food industry" (*Progressive Grocer*, 1964e, p. 41), and the "lack of responsibility and integrity among politicians in their attitudes and statements about the food industry" (*Progressive Grocer*, 1965c, p. 6). Industry members complained of being government's "whipping boy," and being blamed for inflation (*Progressive Grocer*, 1975b, p. 47). Retailers accused government of "preparing new maledictions for industry" (*Progressive Grocer*, 1975a, p. 22). One headline reads "FTC sets new 'no-no' guides on pricing" (*Chain Store Age*, 1974b, GME, p. 9), suggesting that government is the stern parent and industry the unruly child. Retailers felt besieged and victimized by government action.

The adversarial nature of the relationship between retailers and government was often likened to a military war. Government action was seen as "harassment" that retailers could only counter through their "war chest" of advertising budgets (*Progressive Grocer*, 1967d, p. 30). Retailers stated that they had been "attacked" by government (*Progressive Grocer*, 1965c, p. 6), engaged in "battles" (*Chain Store Age*, 1977b, SCA, p. 8), and were the target of "government strikes" (*Chain Store Age*, 1977a, SCA, p. 8). Government was positioned as the military dictator of the food industry:

Together they [regulatory agencies] muster a small army of 8,000 men who more than hold their own in holding the 40,000 hearings conducted by all Government agencies in a year. Through persuasion, threat or litigation they affect every retailer in the land and every customer who shops his aisles (*Progressive Grocer*, 1964e, p. 41).

Mixed with opposition to government action and adversarial, inflammatory rhetoric, there were also stances illustrating a more cooperative and complacent attitude. For example, retailers spoke positively of the Truth in Packaging bill, suggesting it was necessary to keep some manufacturers in line (*Progressive Grocer*, 1963a, p. 50). Some within the organizational field implied that when government positions industry as "the enemy", then the next step is "to consider how we might cooperate more effectively" (*Progressive Grocer*, 1976a, p. 6). Harold O. Smith, executive vice president of United States Wholesale Grocers' Association (USWGA), reported that his association planned to activate state and national committees to keep in close touch with government and consumer activities (*Progressive Grocer*, 1967c, p. 9).

In even sharper contrast to rhetoric which positions government as the enemy of the industry, there is some evidence that government, at times, was viewed as an ally that promotes and protects the industry: "While dairy industry leaders hope that President Kennedy's recent endorsement of milk will help check the decline in consumption which hit last year [...]" (*Progressive Grocer*, 1962b, p. 49).

On several occasions, retailers indicated that they followed or even stayed one step ahead of government recommendations. For example, with regard to nutrition labeling regulations, one article noted: "Instead of crying 'you can't do this to us,' the general

attitude [at a gathering of industry representatives at an FDA briefing] was ‘show us how we can comply’” (*Progressive Grocer*, 1973a, p. 164). Retailers even found themselves adopting some laws and regulations before they came into effect – for example, unit pricing (*Progressive Grocer*, 1971c, p. 109), content labeling rules for orange-flavored drinks (*Progressive Grocer*, 1971c, p. 111), and household detergents:

Household detergents will soon carry labels disclosing their phosphorous content and biodegradability. The detergent makers, at FTC request, have decided to adopt voluntary labels ahead of final FTC trade regulation rules [...] (*Progressive Grocer*, 1973d, p. 170).

Of course, cooperation and compliance did not always come easily, nor were they universally adopted:

Many chain stores now realize “that consumerism is good business management,” Zawal concedes, “but the fact that they are still lobbying against the Consumer Protection Agency bill indicates there is still some hostility towards consumer programs” (*Progressive Grocer*, 1974b, p. 58).

Paradoxical attitudes towards consumers. The data suggest that retailers held paradoxical, varied, and complex attitudes towards consumers. At times, retailers viewed consumers as intelligent, well-informed shoppers that did not need government protection. In other cases, they noted their own role as consumer advocates who responded insightfully to consumer wants and needs. In sharp contrast were views that consumers were incompetent, poorly informed, and even stupid. Instead of alignment between retailers and consumer interests, there were “rifts” and “credibility gaps” (*Progressive Grocer*, 1968c, p. 9).

Some of the attitudes expressed about consumers arose from retailers’ desire for a largely unregulated marketplace. Retailers repeatedly expressed a laissez-faire attitude, making the case that a free and competitive marketplace is justified because consumers are intelligent and can think for themselves. “We suspect that the great majority of American consumers are far more intelligent than their ‘caretakers’ realize or would like to admit” (*Progressive Grocer*, 1972b, p. 267). They noted that there is ample competition and selection in the marketplace. “These same super markets, in an effort to win the customer’s favor, last year made room on their shelves for 600 of the 1,000 new items introduced by manufacturers” (*Progressive Grocer*, 1964c, p. 37). Therefore, there should be no need for government protection and regulation. Such an argument can be seen in one article referring to the proposed Truth in Packaging bill:

Manufacturers and retailers fully understand that the modern housewife not only has a choice of many, many brands and items in packaged foods but a wide choice in supermarkets. If she is misled or fooled only once, the violator of her trust loses her purchases and loyalty [...] THE TRUTH IN retailing today is that the consumer does not need this “big brother” protection concept. Competition, a far more effective regulative force than many of our legislators realize is the policeman and the stimulator that really protects the consumer [...] (*Progressive Grocer*, 1965a, p. 6).

Retailers also worked to position themselves as consumer protectors, champions, and advocates, again making the case that regulation was unnecessary.

PLEASING the customer, of course, is the primary aim of every good super market operation. But behind that aim perhaps is a more important meaning – protecting the customer. A customer who is injured in your store is neither pleased nor protected (*Progressive Grocer*, 1964a, p. 126).

In a similar vein, the president of Katz Drug chain noted: "Much of what happens in the 1970s in retailing, will be with maximum, if not total consideration of what Mr and Mrs America want in their shopping" (*Chain Store Age*, 1970c, DR, p. 12). In fact, responding to the needs of consumers was perceived by some as legitimate behavior: "What they [recent developments] suggest is the beginning of the institutionalization of consumerism. What began as a series of pressure tactics from outside is being taken on and accepted within" (*Progressive Grocer*, 1971, p. 110). Retailers encouraged others to see consumerism as an opportunity. "Consumerism is not a threat to the supermarket industry. It is a challenge and an opportunity to make our service to the customer even better" (*Progressive Grocer*, 1970c, p. 68).

In contrast, other retailers expressed highly paternalistic views of shoppers, especially female shoppers. Retailers felt they needed to look out for, protect, educate, and cooperate with consumers.

The public was also treated to an immense public relations campaign by trade associations at all levels, designed to educate Mrs Shopper about the mechanics of food distribution and retailing, and to soothe away some of the myths about super market pricing procedures (*Progressive Grocer*, 1968b, p. 12).

In more extreme cases, consumers were disparaged and disrespected. Consumers were described as "cranky and touchy" (*Progressive Grocer*, 1975c, p. 14), "uptight" (*Progressive Grocer*, 1975c, p. 41), "dumb" (*Progressive Grocer*, 1976b, p. 36), "nitwits" (*Chain Store Age*, 1971b, SME, p. 70), and "fickle" (*Progressive Grocer*, 1971a, p. 10). One NAFC member noted: "Can we really expect a woman who has had no economic education at all to believe that we make only slightly more than a penny on the sales dollar as profit" (*Progressive Grocer*, 1967d, p. 31). The headline in one story read: "Petticoat Rebellion Urges End to Super Market Frills" (*Progressive Grocer*, 1969, p. 96). Retailers come off as especially patronizing in their comments about "Mrs Housewife" as the primary consumer (*Progressive Grocer*, 1962a, p. 9).

Retailers' demeaning attitude towards women is further reflected in their views of female managers. In describing the promotion of a heavy set female manager, one writer noted "that Sylvia Seid carries a lot of weight around the Lamston Co. The obviously heavy-set Miss Seid has carried the joke good naturedly. But now, she's carrying even more weight around the chain as its newest vice president" (*Chain Store Age*, 1967b, p. 17). Another writer noted that a new lady sales chief will be "cooking up new ideas" for promotions (*Chain Store Age*, 1968a, p. 17).

In the most extreme cases, consumers, especially those who boycotted stores or demanded racial equality, were viewed as the enemy. In describing retailers who responded to boycotts by cutting prices, one writer suggested that such retailers could only "stand by unhappily and watch as the housewives 'cherry picked' them nearly to death and then moved on to other stores 'in need of boycotting'" (*Progressive Grocer*, 1969, p. 97).

The paradoxical attitudes towards consumers were even more obvious in discourse about black consumers. Grocers were described as inhabiting "embattled cities" that bore "a chilling resemblance to bombing reports out of Vietnam" (*Progressive Grocer*, 1967c). Retailers were again asked to help solve the "problem" by providing training and jobs, and many rose to the challenge noting: "The development and advancement of Negroes and other minorities into the executive ranks is one of the prime drives in retailing today" (*Chain Store Age*, 1968c, p. 62). Tension between the two sectors was

evident, however. "While both poor blacks and poor whites are wary of retailers, Negroes have a more 'violently hostile' attitude [...] Negroes believe that they are treated as undesirables – or untouchables [...]" (*Chain Store Age*, 1969a, p. 63). Another article noted: "But business hesitates to publicly report its successes, fearing excessive demands by Negro groups" (*Chain Store Age*, 1968b, p. 52). Others complained that black consumers lacked understanding of the issue: "Negroes turn a deaf ear to retailer arguments that personnel of an outlet should parallel a neighborhood's racial makeup" (*Chain Store Age*, 1968b). A number of articles indicated a lack of understanding between retailers and black people, and conclusions were drawn such as "Too often the Negro feels he's being sold down to" (*Chain Store Age*, 1968c). Racial tension, fear, lack of trust, and disrespect continued, as witnessed by the following statement:

This is the new form of boycott in which the Negro pulpit is used to urge families to keep out of specified stores until they accede to blatantly illegal demands. Examples – hire people to fill jobs at all levels regardless of qualification, stock products in which the military group has an interest [...] The goal, however, could be attained much faster if consumers, particularly their leaders, displayed a greater sense of responsibility and cooperation than has been seen thus far (*Progressive Grocer*, 1968a, p. 6).

Dismissal versus fear of consumer activism. Just as there are mixed and paradoxical views of consumers, so are there contradictory perspectives on consumerism. On the one hand, industry members trivialized and dismissed consumer activism. One headline exclaimed, "Consumerists 'Much talk, little action'" (*Chain Store Age*, 1969b, p. 72). Numerous articles complained that "Mrs Consumer" unfairly directs her anger about high prices at retailers, instead of recognizing the economic causes of inflation such as increased labor and transportation costs. Another retailer noted that consumers are easily manipulated by political agendas:

There's a new word in the language that we hear more and more often. That word is "consumerism." Now it is pretty hard to argue against consumer protection as a governmental function. But consumerism at its worst becomes consumeritis [...] you won't find "consumeritis" in dictionaries. Let me offer my own definition: consumeritis *n*: A contagious inflammation of the consumer interest portion of the brain often resulting from political ambition or desire to derive favor from groups of consumers through personal publicity (*Progressive Grocer*, 1967d, p. 30).

By externalizing blame for consumer protests on factors like economic and inflationary pressures, retailers and value chain members could dismiss activism as misguided efforts aimed at issues beyond retailers' control or responsibility: "'American manufacturers, processors and distributors,' he [George Koch, president of Grocery Manufacturers of America Inc] said 'don't cause inflation and high prices'" (*Chain Store Age*, 1967a, p. E8). Another article noted that the "'girlcotts' of supermarkets across the nation [...] accomplished very little, simply because the causes of price increases are not to be found within food distribution but stem from forces affecting national, and, indeed, worldwide economics" (*Progressive Grocer*, 1965d, p. 6).

At the same time, however, retailers expressed a fear of activism and related activities, such as boycotts and pressure from blacks. Words like "muscle" and "struggle" color the commentary. One headline read: "Blacks lean hard to get jobs: Why A&P, Giant Tiger, other retailers knuckle under to demands [...]" (*Chain Store*

Age, 1969a, p. 49). One article noted: "Two years ago housewives revolted and just about scared food retailers out of their wits" (*Progressive Grocer*, 1969, p. 96). Another stressed: "The entire mood of mistrust, generated by the professional consumer advocate, has us very concerned" (*Chain Store Age*, 1970e, SME, p. 24). Retailers' fear was expressed through their quick reaction to boycotts by reducing prices (*Progressive Grocer*, 1973c, p. 12), keeping prices low (*Progressive Grocer*, 1967a, p. 6; *Progressive Grocer*, 1967b, p. 6), and voicing an express desire to be proactive in responding to consumer needs and demands (*Progressive Grocer*, 1970c, p. 65; *Progressive Grocer*, 1973b, p. 120). Unlike some contemporaries who dismissed activism, other retailers deemed consumer movements a powerful force:

Intertwined with the nutrition question is the consumer movement of the 1970s, which embraces not only hunger and nutrition, but also product safety, deceptive business practices, pollution, and zooming prices. What's more, consumerism has grown from its one-time minority status to a highly powerful structure (*Progressive Grocer*, 1970a, p. 94).

Community-embeddedness versus profit-mindedness. We identified a paradox between retailers' desire to be perceived as good community citizens versus their focus on profits. In some cases, retailers talked exclusively about the need to be embedded in the local community. One chain veteran says it this way: "You can't take out of a community without putting something into it" (*Progressive Grocer*, 1964d, p. 35). Some articles positioned the rationale for community involvement as altruism: "There are many reasons why retailers take up public interest causes. One of them, surprisingly to cynics, is simple, uncomplicated public interest itself" (*Progressive Grocer*, 1971e, p. 84). Industry argued that it is, in fact, well embedded in local communities:

Super markets are more responsive to "human" issues than ever before. In just a few short years, consumer information and environmental programs have shed their air of controversy, settling down as accepted facts of life (*Progressive Grocer*, 1974a, p. 82).

In other cases, however, community-embeddedness was viewed instrumentally as necessary to generate profits. Social responsibility was described as "good business" (*Chain Store Age*, 1978, GME, p. 46) and consumer advocacy as an "aggressive" marketing tactic (*Chain Store Age*, 1971a, SME, p. 33). Social causes were supported to accrue business benefits. For example, drug abuse prevention programs should enhance drug stores' professional image (*Chain Store Age*, 1970f, DR, p. 38), company donations should be planned and publicized (*Progressive Grocer*, 1963b, p. 118), retailers should serve Negro communities well to achieve prosperity (*Progressive Grocer*, 1965b, p. 6), and "customer participation days" should help to grow profits (*Progressive Grocer*, 1970b, p. 150).

The paradoxical nature of retailers' sense of obligation to the community is also seen in their response to environmental concerns. On the one hand, retailers curtailed their own environmental obligations. "Added to this is a strong anti-returnable sentiment among super markets, where floor space, storage areas and personnel costs for handling the empties are at a premium. Sanitation is also a problem" (*Progressive Grocer*, 1970d, p. 118). On the other hand, retailers were proactive in their duties towards the environment: "the problem of waste disposal belongs to everyone and it is indeed a national problem" (*Progressive Grocer*, 1972c, p. 287). Even still, environmental responsibility was driven by a profit motive, as the following quote illustrates: "Early evidence that store sales can be affected by an ecological campaign

has come from 10-store Alexander's super markets of Los Angeles" (*Progressive Grocer*, 1971c, p. 9).

The community-embeddedness paradox of altruism versus profits is exemplified by the following quote taken from a single article:

Many retailers launched campaigns to do their part to help preserve the environment and, often, elements of these drivers were totally altruistic [...] With all the hand-wringing, it became clear last year that consumer- and ecological-mindedness could pay monetary dividends (*Progressive Grocer*, 1972a, p. 10, 14).

Summary. Together, these four paradoxes show us that the retailers struggled back and forth between two sets of norms – the traditional economic, competitive logic as well as a pro-social, community-minded logic based on pressures from a complex field of stakeholder groups. Rather than try to simply satisfy these opposing norms, however, we found that the retailers worked instead to proactively shape the norms that constituted these two logics – especially the norms behind the logic of competition.

Theme 2: shaping norms

From institutional theory, norms are regarded as unspoken, taken for granted guidelines and assumptions that channel the legitimate behavior of organizational field members. While they come to be taken-for-granted, norms are also social constructions which organizational field members might actively work to influence and shape according to their own interests (Hoffman, 1999). From our data, it seems that retailers actively worked to shape the organizational field's norms, especially the norms of competition. In the previous section, we noted that the food industry launched a "Food is a Bargain" campaign in response to government and consumer concern over rising food prices, blaming inflation – not food industry practices – for the price increases. The Grocery Manufacturers of America also released booklets, "The ABC's of Food Prices," in an effort to explain the food industry story to the public. This "story" was that:

[...] for too long consumers have been given the impression that processors and distributors are piling up excessive profits when, on the contrary, the retailer's average net profit is 1¢ to 1½¢ on the dollar. "We welcome unbiased investigation into reasons for the rising costs of doing business," said Malcolm J. Reid, NARGUS president (*Progressive Grocer*, 1966b, p. 9)

This "story" deflected blame by positioning consumers as the ultimate beneficiaries. Consumers were deemed better off than food retailers in the face of inflation: "The National Assn. of Food Chains [...] says that some retail food prices have advanced, 'but not as rapidly or as dramatically as the take-home pay of consumers'" (*Progressive Grocer*, 1966c, p. 9).

Food retailers not only defended norms of competition, but actively sought to improve competition in their industry.

Food retailers may find little criticism lodged against them when the National Commission on Food Marketing presents the findings of its two-year study to President Johnson in July. A draft of the report indicates there is only superficial competition between chain and non-chain super markets. Recommendations to be made will include improving competition and suggestions to help the consumer shop more prudently and get a better value for her dollar (*Progressive Grocer*, 1966a, p. 9).

The exploration of four paradoxes in the previous section provides evidence that, as the retailers pursued activities consistent with theories of competitive advantage, their legitimacy was routinely called into question by societal stakeholders. In this context, retailers sought not only to defend their actions, but also to protect the very authenticity of the norms (of competition) upon which their actions were based. Consider the following development:

FOOD RETAILING, the most competitive business in the U.S. seems slated for another investigation. ONCE AGAIN, our Federal Government seems determined to prove that the consumer is being exploited by giant distributors and retailers [...] THIS IS A surprising development to those engaged in food distribution, especially in view of the recent study conducted by the Federal Trade Commission which indicated, at least to Progressive Grocer, that the trend is away from rather than toward monopoly and that competition was more rather than less intense in our business [...] (*Progressive Grocer*, 1964b, p. 6)

In this quote, retailers find it “surprising” that their adherence to intense competition would open them up to investigation and scrutiny.

Retailers do not perceive that it was something much grander than their individual practices, which were being questioned by societal stakeholders. Instead it was the very norms upon which retailers had come to understand their own existence. Retailers therefore tended not to defend their business practices, but worked to defend the norm of competition itself.

Consumerism can be defined roughly as the growing public disbelief about manufacturer and retailer claims for their products and services. [...] Caveat emptor, “let the purchaser beware,” has been too long a popular proverb, and not really valid. [...] Let merchant and supplier create a new proverb, Credet emptor, “let the purchaser be trusting” (*Chain Store Age*, 1970b, SME, p. 74).

Here, retailers asked societal constituents to trust them because they adhered to norms of competition, which can only benefit the consumer. To illustrate, when pressured about increasing prices and accusations of profiteering, retailers proactively dispelled these allegations by reinforcing the authenticity of the norms of competition.

AGAINST THIS BACKGROUND, many and perhaps most food retailers today are thinking long and deeply about their price image and ways to create a reputation for lowest possible prices and yet offer the range of product, store atmosphere and services that the modern shopper has come to expect [...] even demand – from her super market (*Progressive Grocer*, 1976d, p. 6).

Clarence Adamy, head of the National Association of Food Chains, suggested that “[...] the only way super markets could reduce prices substantially would be by cutting out services the public demands” (*Progressive Grocer*, 1966c, p. 9).

In these quotes, retailers stress that norms of competition provide consumer value – low prices, range of products, positive store atmosphere, and services. Because these are all things that “the modern shopper has come to expect,” the norm of competition should be extolled.

The food industry concluded that, in order to address consumer protests and restore stakeholder trust in its pricing and business practices, it needed to engage in the kinds of consumer education programs described above. In other words, the food industry actively sought to shape the public’s understanding of its business – to shape the norms of competition. As stated by the editor of *Progressive Grocer* in December, 1966:

The Food Trade Associations have done an heroic job in defense of the food industry in recent weeks. It has been no easy job to fight emotion and prejudice with facts and logic, but industry spokesmen have made and will continue to make real progress. Every store and its employees can assist simply by talking to consumers in person and through advertising, and telling again and again that the consumer gets more value for the dollar spent in super markets than in any other type of retail store (*Progressive Grocer*, 1966c, p. 6).

The data reveals that retailers' attempts to shape norms were key strategic endeavors. As noted earlier, retailers' shaping of norms occurred against the backdrop of a dynamic and active organizational field. The organizational field was replete with increasingly empowered societal stakeholders that were also attempting to shape the field's norms, but in this case the stakeholders attempted to move away from market-based norms of competition and towards a pro-social based logic. As the consumerism movement gained strength through the latter part of the 1960s, retailers had to acknowledge a different set of norms – those based on a pro-social logic. In a NAFC initiative titled "Consumer Dialogues," retailers attempted to fully engage consumers using "two-way, direct, instantaneous and highly personal communications. They are intended, primarily, to help the industry better understand its customers. The language of the Dialogue is that of the consumer" (*Progressive Grocer*, 1967d, p. 31).

Other articles noted that the "problem" of consumerism could and would be solved through formal interactions (*Progressive Grocer*, 1976c, p. 60), customer clinics (*Chain Store Age*, 1970a, GME, p. 46), and consumer education (*Chain Store Age*, 1971b, SME, p. 70). In one article, the open and cooperative spirit is clear: "industry has wisely decided its best position is on the side of the consumer activist" (*Chain Store Age*, 1975, GME, p. 1). In some articles, the relationship between retailers and the local community was likened to a "marriage" (*Chain Store Age*, 1970h, GME, p. E23). In another quote, the logic of retailers' social obligation was made explicit:

It might be possible to continue to live and do business in a world where every segment watched out selfishly for itself. This might be a true, "free society" in action. But unless business, government, or somebody assumes responsibility for what happens to the whole society, then we will surely have a "free society" that is teeming with garbage and polluted air [...] I'd like to see a company in the retail food industry try to behave as if it did not have a social responsibility. It wouldn't be around long (*Chain Store Age*, 1970g, SME, editorial).

Retailers' efforts to engage in a dialogue and even a marriage-like arrangement with societal stakeholders expressed pro-social logics and norms, where the organization tends to communal concerns that are at odds with the "selfishly" driven norms of a market-based, competitive logic.

Discussion and conclusion

Traditional marketing management theory – emerging from the managerial perspective – emphasizes marketers' attempt to acquire and deploy unique bundles of resources to win competitive advantage by best satisfying customer needs. Our findings have allowed us to extend the managerial perspective that dominated in the 1960s and 1970s by understanding the societal context-dependent dimension of marketing strategy in a period of history filled with stakeholder activism. The data analysis reveals that marketing occurred – even in the 1960s and 1970s – within the context of a highly dynamic, contradictory, and paradoxical institutional environment

that “generate[s] cultural pressures that transcend any single organization’s purposive control” (Suchman, 1995, p. 572). This finding has a number of implications related to the way in which marketing strategy was actually executed at the time. Because the managerial approach continues to dominate our understanding of marketing strategy, what we have uncovered here has the potential to be useful even today.

First, marketers’ task of determining which stakeholders to consider may be far more complex than existing theory and literature suggest. Rather than discrete groups of stakeholders with an orthogonal set of clear expectations, the data show a continuum of interacting and mutually influential stakeholders that presented marketers with an array of socially complex issues. Marketers were thus faced with the enormously difficult and intricate task of understanding the expectations imposed. They were forced into dialogue with a range of stakeholders, many of whom probably held divergent expectations.

Second, marketers’ institutional environment was extremely complex. Firms’ environments were composed of complex webs of social groups (e.g. government regulators, activist consumers, the press, academics, and other social critics) that were powerful, proactive, and culturally adept (Handelman, 2006). The data suggest that the marketer was immersed in a conflicting, paradoxical environment. Here, what mattered to marketers was not the specific things that stakeholders wanted them to do (e.g. to report nutritional information on package labels), but rather how to make sense of the conflicting normative expectations presented by such a diverse array of stakeholders. To survive, firms and marketers had to not only comprehend this environment, but also had to work to make their firm and industry comprehensible to these important social actors. Retailers struggled with whether and how to embrace various societal stakeholders. Was government an ally or the enemy? Should activists be taken seriously or summarily dismissed? Were consumers “king,” such that retailers must respond to their every whim, or were they ignorant of the issues and in need of “education”?

The third and most central finding is the way in which the marketers in this study responded to conflicting stakeholders and expectations. In response to these conflicting expectations, the marketers did not simply tend to the specific tactics and practices they were asked to consider, but rather they questioned the very authenticity of the norms imposed on them. The marketers struggled with understanding, on the one hand, normative expectations of a competitive-based logic and, on the other hand, a pro-social based logic that challenged the authenticity of the former norm. As a result, the marketers not only worked to satisfy the expectations of various stakeholders, but also attempted to justify their actions by strengthening the authenticity of the societal norms upon which the legitimacy of their actions rested.

This strategic effort presents an exciting addition to our traditional view of marketing strategy. In addition to acquiring and deploying unique bundles of resources for competitive advantage, marketers also appeared to be actively engaged in an institutional dialogue. Through this dialogue, they attempted to shape their organizational field’s norms that came to define legitimate behavior for the field’s members. But this was not a linear task. The organizational field was comprised of other societal stakeholders that were also working to influence and shape the field’s norms, leading to a conflicting collection of norms that bombarded societal constituents.

This study reveals that marketing strategy, even in the 1960s and 1970s, was comprised of an institutional dimension whereby marketers engaged in

legitimacy-related efforts through their dialogue and rhetoric with other societal stakeholders. Given that the managerial perspective still permeates our understanding of marketing strategy, future research should consider if marketers' interactions with societal stakeholders continue to follow the same patterns we uncovered in the 1960s and 1970s. Future research in this domain might also seek to further explore the kind of interaction, positive and negative, that occurs between societal stakeholders and how this interaction comes to shape the field's norms. Finally, future research is needed to help marketers make sense of the societal stakeholders that comprise an organizational field. Aside from the traditional stakeholder groupings around economic imperatives, are there other ways of making sense of a firm's institutional environment?

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